

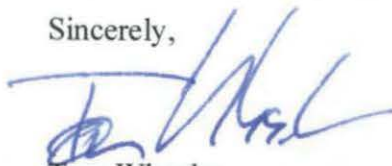
Page 2—The Honorable Al Franken

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Please be assured that the Commission will take into consideration the concerns of all stakeholders as we endeavor to protect rural consumers from excessive rate hikes.

I appreciate your interest in this matter. Please let me know if I can be of any further assistance

Sincerely,

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Tom Wheeler



FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

OFFICE OF  
THE CHAIRMAN

October 24, 2014

The Honorable Charles Grassley  
United States Senate  
135 Hart Senate Office Building  
Washington, D.C. 20510

Dear Senator Grassley:

Thank you for your letter expressing concerns on the implementation of the urban rate floor. I appreciate your views and will ensure that your letter will be included in the record of the proceeding and considered as part of the Commission's review.

As you note, the Commission *Order* adopted in April 2014 both delays until January 2015 the implementation of the 2014 rate floor, and then phases-in potential universal service support reductions associated with the rate floor. As a result, the universal service support reductions that go into effect in January of next year will be for only those lines with rates below \$16, with no further increases until July 2016. Subsequent to July 2016, any potential reductions in universal service support will be phased in gradually through 2018. Moreover, the Commission's April *Order* exempts lines serving low-income households through the Lifeline program from any universal service support reductions associated with the rate floor. We took these steps to address concerns such as those you mentioned regarding "unnecessarily excessive" rate increases and possible difficulties some carriers may experience in making rate adjustments at the state level in a short period of time.

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I will be particularly interested in how the data collected in January and July 2015 differs from the information we have collected in previous years. We have actually seen minimal impact on consumers since the Commission implemented this rule in 2012. The rate floor increased to \$14 in 2013 from \$10 in 2012, a 40 percent increase. However, consistent with our rules, many carriers apparently did not raise their local rates, and continue to report lines with rates well below the \$14 rate floor. Moreover, in 2014, carriers in 41 study areas in 16 states

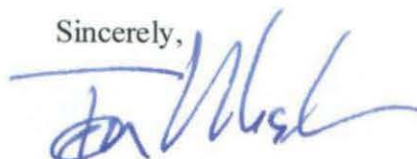
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FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

OFFICE OF  
THE CHAIRMAN

October 24, 2014

The Honorable Tom Harkin  
United States Senate  
731 Hart Senate Office Building  
Washington, D.C. 20510

Dear Senator Harkin:

Thank you for your letter expressing concerns on the implementation of the urban rate floor. I appreciate your views and will ensure that your letter will be included in the record of the proceeding and considered as part of the Commission's review.

As you note, the Commission *Order* adopted in April 2014 both delays until January 2015 the implementation of the 2014 rate floor, and then phases-in potential universal service support reductions associated with the rate floor. As a result, the universal service support reductions that go into effect in January of next year will be for only those lines with rates below \$16, with no further increases until July 2016. Subsequent to July 2016, any potential reductions in universal service support will be phased in gradually through 2018. Moreover, the Commission's April *Order* exempts lines serving low-income households through the Lifeline program from any universal service support reductions associated with the rate floor. We took these steps to address concerns such as those you mentioned regarding "unnecessarily excessive" rate increases and possible difficulties some carriers may experience in making rate adjustments at the state level in a short period of time.

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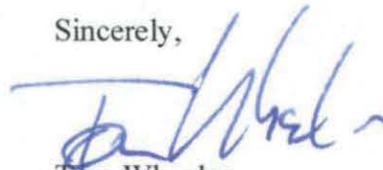
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Tom Wheeler



FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

OFFICE OF  
THE CHAIRMAN

October 24, 2014

The Honorable James Inhofe  
United States Senate  
453 Russell Senate Office Building  
Washington, D.C. 20510

Dear Senator Inhofe:

Thank you for your letter expressing concerns on the implementation of the urban rate floor. I appreciate your views and will ensure that your letter will be included in the record of the proceeding and considered as part of the Commission's review.

As you note, the Commission *Order* adopted in April 2014 both delays until January 2015 the implementation of the 2014 rate floor, and then phases-in potential universal service support reductions associated with the rate floor. As a result, the universal service support reductions that go into effect in January of next year will be for only those lines with rates below \$16, with no further increases until July 2016. Subsequent to July 2016, any potential reductions in universal service support will be phased in gradually through 2018. Moreover, the Commission's April *Order* exempts lines serving low-income households through the Lifeline program from any universal service support reductions associated with the rate floor. We took these steps to address concerns such as those you mentioned regarding "unnecessarily excessive" rate increases and possible difficulties some carriers may experience in making rate adjustments at the state level in a short period of time.

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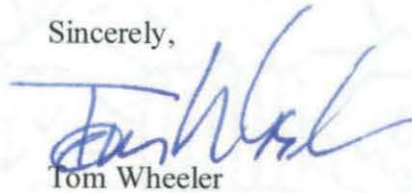
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Tom Wheeler



FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

OFFICE OF  
THE CHAIRMAN

October 24, 2014

The Honorable Tim Johnson  
United States Senate  
136 Hart Senate Office Building  
Washington, D.C. 20510

Dear Senator Johnson:

Thank you for your letter expressing concerns on the implementation of the urban rate floor. I appreciate your views and will ensure that your letter will be included in the record of the proceeding and considered as part of the Commission's review.

As you note, the Commission *Order* adopted in April 2014 both delays until January 2015 the implementation of the 2014 rate floor, and then phases-in potential universal service support reductions associated with the rate floor. As a result, the universal service support reductions that go into effect in January of next year will be for only those lines with rates below \$16, with no further increases until July 2016. Subsequent to July 2016, any potential reductions in universal service support will be phased in gradually through 2018. Moreover, the Commission's April *Order* exempts lines serving low-income households through the Lifeline program from any universal service support reductions associated with the rate floor. We took these steps to address concerns such as those you mentioned regarding "unnecessarily excessive" rate increases and possible difficulties some carriers may experience in making rate adjustments at the state level in a short period of time.

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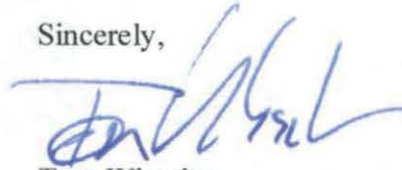
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Tom Wheeler



OFFICE OF  
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

October 24, 2014

The Honorable Amy Klobuchar  
United States Senate  
302 Hart Senate Office Building  
Washington, D.C. 20510

Dear Senator Klobuchar:

Thank you for your letter expressing concerns on the implementation of the urban rate floor. I appreciate your views and will ensure that your letter will be included in the record of the proceeding and considered as part of the Commission's review.

As you note, the Commission *Order* adopted in April 2014 both delays until January 2015 the implementation of the 2014 rate floor, and then phases-in potential universal service support reductions associated with the rate floor. As a result, the universal service support reductions that go into effect in January of next year will be for only those lines with rates below \$16, with no further increases until July 2016. Subsequent to July 2016, any potential reductions in universal service support will be phased in gradually through 2018. Moreover, the Commission's April *Order* exempts lines serving low-income households through the Lifeline program from any universal service support reductions associated with the rate floor. We took these steps to address concerns such as those you mentioned regarding "unnecessarily excessive" rate increases and possible difficulties some carriers may experience in making rate adjustments at the state level in a short period of time.

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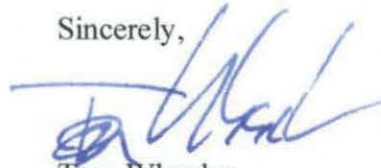
Page 2—The Honorable Amy Klobuchar

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Tom Wheeler



FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

OFFICE OF  
THE CHAIRMAN

October 24, 2014

The Honorable Jerry Moran  
United States Senate  
345 Russell Senate Office Building  
Washington, D.C. 20510

Dear Senator Moran:

Thank you for your letter expressing concerns on the implementation of the urban rate floor. I appreciate your views and will ensure that your letter will be included in the record of the proceeding and considered as part of the Commission's review.

As you note, the Commission *Order* adopted in April 2014 both delays until January 2015 the implementation of the 2014 rate floor, and then phases-in potential universal service support reductions associated with the rate floor. As a result, the universal service support reductions that go into effect in January of next year will be for only those lines with rates below \$16, with no further increases until July 2016. Subsequent to July 2016, any potential reductions in universal service support will be phased in gradually through 2018. Moreover, the Commission's April *Order* exempts lines serving low-income households through the Lifeline program from any universal service support reductions associated with the rate floor. We took these steps to address concerns such as those you mentioned regarding "unnecessarily excessive" rate increases and possible difficulties some carriers may experience in making rate adjustments at the state level in a short period of time.

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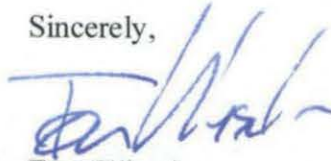
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Tom Wheeler





OFFICE OF  
THE CHAIRMAN

FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

October 24, 2014

The Honorable Patty Murray  
United States Senate  
173 Russell Senate Office Building  
Washington, D.C. 20510

Dear Senator Murray:

Thank you for your letter expressing concerns on the implementation of the urban rate floor. I appreciate your views and will ensure that your letter will be included in the record of the proceeding and considered as part of the Commission's review.

As you note, the Commission *Order* adopted in April 2014 both delays until January 2015 the implementation of the 2014 rate floor, and then phases-in potential universal service support reductions associated with the rate floor. As a result, the universal service support reductions that go into effect in January of next year will be for only those lines with rates below \$16, with no further increases until July 2016. Subsequent to July 2016, any potential reductions in universal service support will be phased in gradually through 2018. Moreover, the Commission's April *Order* exempts lines serving low-income households through the Lifeline program from any universal service support reductions associated with the rate floor. We took these steps to address concerns such as those you mentioned regarding "unnecessarily excessive" rate increases and possible difficulties some carriers may experience in making rate adjustments at the state level in a short period of time.

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Tom Wheeler



FEDERAL COMMUNICATIONS COMMISSION  
WASHINGTON

OFFICE OF  
THE CHAIRMAN

October 24, 2014

The Honorable Pat Roberts  
United States Senate  
109 Hart Senate Office Building  
Washington, D.C. 20510

Dear Senator Roberts:

Thank you for your letter expressing concerns on the implementation of the urban rate floor. I appreciate your views and will ensure that your letter will be included in the record of the proceeding and considered as part of the Commission's review.

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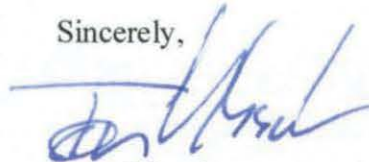
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